

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
KANSAS CITY DIVISION

JET MIDWEST INTERNATIONAL CO., LTD.,)
)
) Plaintiff)
)) Case No. _____
) v.)
))
JET MIDWEST GROUP, LLC,)
)
) Defendant.)

COMPLAINT

Plaintiff Jet Midwest International Co., Ltd. (hereafter, “JMI”), formerly known as Yortime Development Ltd., by and through its counsel, German May PC, for its complaint against defendant Jet Midwest Group, LLC (hereafter, “JMG”), alleges as follows:

THE PARTIES

1. JMI is a Hong Kong limited company organized and existing under the laws of Hong Kong, a Special Administrative Region of the People’s Republic of China. JMI’s principal place of business is in Beijing, China.

2. JMG, a corporation organized and existing under the laws of the State of Delaware, is headquartered in Kansas City, Missouri.

JURISDICTION AND VENUE

3. Subject matter jurisdiction exists based upon diversity of citizenship, pursuant to 28 U.S.C. § 1332. There is complete diversity of citizenship, and the amount in controversy exceeds the sum of \$75,000, exclusive of interest and costs.

4. This court has *in personam* jurisdiction over JMG because JMG is headquartered in the State of Missouri.

5. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because JMG resides in this District.

6. Jurisdiction and venue also are proper because, as described in further detail below, JMG has contractually waived any objections to the jurisdiction of this Court and venue in this District.

THE TERM LOAN AGREEMENT

7. In September 2015, JMI (then known as Yortime Development Ltd.), as Lender, and JMG, as Borrower, executed a Term Loan Agreement (hereafter, the “Loan Agreement”).

8. A true and correct copy of the Loan Agreement is attached hereto as Exhibit A.

9. Pursuant to the Loan Agreement, JMI extended a loan to JMG in the amount of \$6.5 million (the “Loan”).

10. Under the Loan Agreement, JMG was obligated to repay the Loan in full within one year. *See* Loan Agreement § 2.5.

11. Under the Loan Agreement, JMG also was obligated to pay interest, as well as an Arrangement Fee. *See* Loan Agreement §§ 2.3, 2.4.

12. The Loan Agreement defines various Events of Default. *See* Loan Agreement § 8.1.

13. Such Events of Default include, among other things, Payment Default. *See* Loan Agreement § 8.1(1).

14. Payment Default under the Loan Agreement is defined as any failure by JMG “to pay the principal of, or interest on, the Term Loan when due and payable,” or

“to pay any fees or expenses required to be paid under any of the Loan Documents when due and payable unless, in each case, the failure to pay is caused by administrative or technical error or material disruption to payment systems and payment is received within 5 Business Days of its due date.” *See* Loan Agreement § 8.1(1).

15. Upon the occurrence of such an Event of Default, JMI is entitled, among other things, to accelerate the Loan, and to “exercise any rights and remedies provided by Law.” *See* Loan Agreement § 8.2.

16. The Loan Agreement also provides: “To the extent that Borrower [JMG] has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, Borrower hereby irrevocably waives such immunity in respect of its obligations under all of the Loan Documents.” *See* Loan Agreement § 9.7.

THE DEFAULT

17. JMG failed to timely repay the Loan, and also failed to timely repay outstanding interest associated with the Loan.

18. On or about September 22, 2016, JMI delivered a notice of default to JMG (hereafter, the “Default Notice”).

19. A true and correct copy of the Default Notice is attached hereto as Exhibit B.

20. At the time of the Default Notice, the Loan arrears, including unpaid principal and unpaid interest, totaled \$6,575,833.37. *See* Default Notice at 2.

21. The Default Notice demanded immediate repayment by JMG in full. *See* Default Notice at 2.

22. JMG has failed to cure the default.

23. The outstanding interest associated with the unpaid Loan is continuing to accumulate.

CAUSE OF ACTION FOR BREACH OF CONTRACT

24. JMI hereby realleges and incorporates by reference the matters set forth in Paragraphs 1-23, *supra*.

25. The Loan Agreement is an enforceable contract between JMI and JMG.

26. JMI fulfilled its obligations under the Loan Agreement by extending the Loan to JMG.

27. JMG breached its obligations under the Loan Agreement by failing to make full and timely payments.

28. JMG's breach of such obligations constitutes an Event of Default under the Loan Agreement.

29. Notwithstanding the service of the Default Notice upon JMG, JMG has failed to cure the default.

30. Because of JMG's breach of the Loan Agreement, JMI has suffered damages in the form of the unpaid principal and other unpaid amounts.

31. JMG's conduct as described above constitutes a breach of contract.

RELIEF REQUESTED

WHEREFORE, JMI demands judgment in its favor and against JMG in the form of:

(a) Damages of \$6.5 million, together with all outstanding interest at the contractual rate of 14% per annum;

(b) The costs and disbursements of this action; and,

(c) Such additional and other relief as the Court may deem just and proper.

Dated: January 24, 2017

By: /s/Daniel E. Blegen

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